

# ***National Credit Union Administration***



## ***Operating Fund***

***Financial Highlights  
January 31, 2005***

**Dennis Winans  
Chief Financial Officer**

***National Credit Union Administration Operating Fund***  
***Financial Highlights***  
***January 31, 2005***

**Balance Sheet**

Home Purchase Program increased \$242,000 due to the purchase of an employee's residence. Currently, there are two houses in the Home Purchase Relocation Program.

Other Assets increased \$5.1 million to represent recognizing 1/12th of the 2005 operating fee (deferred income) that will start being collected in March/April.

Accrued Employee Compensation increased \$4.5 million as the result of accruing for 16 days at the end of January, award accruals and the travel bonus accrual. Accruals are reversed the first working day of the next month.

**Statement of Revenues & Expenses**

Net income for the month was \$1.3 million higher than planned due to all expenses being under budget. The decrease in expenses was due to the reversal of the year-end accruals.

**Statement of Cash Flow**

Cash increased \$438,000 for the month.

**Budget (Year-to-Date)**

Agency spending was under budget by \$3.0 million or 24.8 percent. Pay, benefits and travel were under budget, and comprised \$1.8 million or approximately two-thirds of the total budget variance. Large variances existed in travel which will decrease throughout the year. The remaining variance of \$1.2 million was derived mainly from contracted services.

**Vacancies**

The agency had 61 vacancies as of January 22 -- up from 53 in December. Of the 61 vacancies, there were 24 vacancies in the central office, 17 vacancies in the regional offices and AMAC, and 19 vacancies in the field staff. The 61 vacancies represent 6.35 percent of total authorized staff of 960.97.

**National Credit Union Administration Operating Fund**  
**Balance Sheets & Changes in Fund Balance**  
**January 31, 2005**

	January 2004	December 2004	January 2005
<b>ASSETS</b>			
<b>ASSETS:</b>			
Current Assets			
Cash	\$5,923.40	\$5,802.67	\$5,802.83
Overnight Investments	23,223,000.00	18,221,000.00	18,659,000.00
Accounts Receivable	547,960.43	827,562.05	594,140.99
Interest Receivable	0.00	0.00	0.00
Prepaid Expenses	221,292.58	588,007.10	694,730.07
Home Purchase Program	0.00	118,098.16	359,727.57
Other	4,868,460.75	0.00	5,147,500.00
<i>Total Current Assets</i>	<u>28,866,637.16</u>	<u>19,760,469.98</u>	<u>25,460,901.46</u>
Property, Plant, and Equipment			
Land	3,946,263.95	3,946,263.95	3,946,263.95
Buildings	29,186,319.00	28,561,321.00	28,486,035.00
Capital Lease	2,289,264.06	1,332,575.83	1,245,681.40
Equipment	1,551,888.45	2,153,566.09	2,048,623.09
Other	0.00	0.00	0.00
<i>Total Property, Plant, and Equipment</i>	<u>36,973,735.46</u>	<u>35,993,726.87</u>	<u>35,726,603.44</u>
<b>TOTAL ASSETS</b>	<u><u>65,840,372.62</u></u>	<u><u>55,754,196.85</u></u>	<u><u>61,187,504.90</u></u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES:</b>			
Current Liabilities			
Accounts Payable	2,664,788.69	2,318,579.47	2,336,443.32
Accrued Employee Compensation	16,507,536.40	11,960,787.24	16,458,561.05
Other Current Liabilities	23,523.70	61,358.00	48,580.03
<i>Total Current Liabilities</i>	<u>19,195,848.79</u>	<u>14,340,724.71</u>	<u>18,843,584.40</u>
Non-Current Liabilities			
Notes Payable	26,371,771.58	25,142,578.89	25,030,834.10
Other	2,132,364.53	1,336,269.30	1,080,428.69
<i>Total Non-Current Liabilities</i>	<u>28,504,136.11</u>	<u>26,478,848.19</u>	<u>26,111,262.79</u>
<b>TOTAL LIABILITIES</b>	<u><u>47,699,984.90</u></u>	<u><u>40,819,572.90</u></u>	<u><u>44,954,847.19</u></u>
<b>FUND BALANCE:</b>			
Beginning Balance	17,246,526.20	17,246,526.20	14,934,623.95
Current Year Earnings	893,861.52	(2,311,902.25)	1,298,033.76
<b>TOTAL FUND BALANCE</b>	<u><u>18,140,387.72</u></u>	<u><u>14,934,623.95</u></u>	<u><u>16,232,657.71</u></u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u><u>\$65,840,372.62</u></u>	<u><u>\$55,754,196.85</u></u>	<u><u>\$61,187,504.90</u></u>

**National Credit Union Administration Operating Fund**  
**Statement of Revenue & Expense**  
**January 31, 2005**

	January 2005 Monthly Actual	January 2005 Monthly Budget	January 2005 Year-To-Date Actual	January 2005 Year-To-Date Budget	January 2004 Year-To-Date Actual
<b>REVENUE:</b>					
Interest Income	\$39,893.79	\$41,666.66	\$39,893.79	\$41,666.66	\$21,184.79
Program-related Income	5,147,500.00	5,067,500.00	5,147,500.00	5,067,500.00	4,868,056.15
Other Income	7,649.02	12,500.00	7,649.02	12,500.00	13,082.88
Total Revenue	<u>5,195,042.81</u>	<u>5,121,666.66</u>	<u>5,195,042.81</u>	<u>5,121,666.66</u>	<u>4,902,323.82</u>
<b>EXPENSES:</b>					
Employee Pay	2,823,327.82	3,105,589.64	2,823,327.82	3,105,589.64	2,830,099.96
Employee Benefits	703,209.61	803,248.37	703,209.61	803,248.37	679,380.66
Employee Travel	79,400.66	459,343.78	79,400.66	459,343.78	40,109.30
Rent/Communications/Utilities	71,983.63	140,828.63	71,983.63	140,828.63	135,371.88
Administrative Costs	294,023.68	376,191.47	294,023.68	376,191.47	390,966.86
Contracted Services	(74,936.35)	296,929.95	(74,936.35)	296,929.95	(67,466.36)
Total Expenses	<u>3,897,009.05</u>	<u>5,182,131.84</u>	<u>3,897,009.05</u>	<u>5,182,131.84</u>	<u>4,008,462.30</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<u>\$1,298,033.76</u>	<u>(\$60,465.18)</u>	<u>\$1,298,033.76</u>	<u>(\$60,465.18)</u>	<u>\$893,861.52</u>

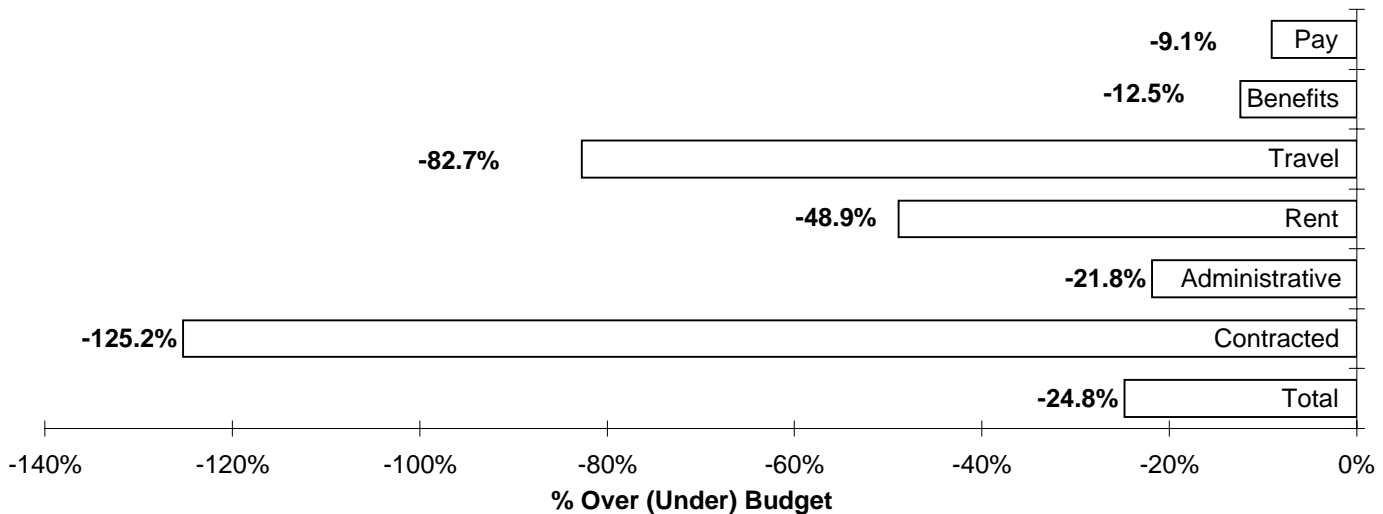
**National Credit Union Administration Operating Fund**  
**Statement of Cash Flow**  
**January 31, 2005**

	Month January 2004	Month January 2005	Y-T-D January 2004	Y-T-D January 2005
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Income from operating fees	\$200.00	\$0.00	\$200.00	\$0.00
Interest received from cash and cash equivalents	21,184.79	39,893.79	21,184.79	39,893.79
Other income received	13,082.88	7,649.02	13,082.88	7,649.02
(Cash paid for operating expenses)	(684,364.37)	1,132,479.67	(684,364.37)	1,132,479.67
<b>Net cash (used) provided by operating activities:</b>	<u>(649,896.70)</u>	<u>1,180,022.48</u>	<u>(649,896.70)</u>	<u>1,180,022.48</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Proceeds (purchases) of fixed assets	(73,344.12)	0.00	(73,344.12)	0.00
(Capital lease payments)	(386,570.61)	(367,787.87)	(386,570.61)	(367,787.87)
Proceeds (purchases) home purchase program	0.00	(262,489.66)	0.00	(262,489.66)
<b>Net cash (used) in investing activities</b>	<u>(459,914.73)</u>	<u>(630,277.53)</u>	<u>(459,914.73)</u>	<u>(630,277.53)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
(Repayments) of notes payable	(111,744.79)	(111,744.79)	(111,744.79)	(111,744.79)
<b>Net cash (used) in financing activities</b>	<u>(111,744.79)</u>	<u>(111,744.79)</u>	<u>(111,744.79)</u>	<u>(111,744.79)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	(1,221,556.22)	438,000.16	(1,221,556.22)	438,000.16
Cash and cash equivalents at beginning of period	24,450,479.62	18,226,802.67	24,450,479.62	18,226,802.67
<b>Cash and cash equivalents at end of period</b>	<u>\$23,228,923.40</u>	<u>\$18,664,802.83</u>	<u>\$23,228,923.40</u>	<u>\$18,664,802.83</u>
<b>RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>				
<b>Net income (loss)</b>	<u>\$893,861.52</u>	<u>\$1,298,033.76</u>	<u>\$893,861.52</u>	<u>\$1,298,033.76</u>
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>				
Depreciation and amortization	151,437.64	267,123.43	151,437.64	267,123.43
Unrealized (gain) loss	0.00	20,860.25	0.00	20,860.25
(Gain) loss on disposal of fixed assets	0.00	0.00	0.00	0.00
(Gain) loss on disposal of homes	0.00	0.00	0.00	0.00
Interest expense on leases	5,931.47	6,073.73	5,931.47	6,073.73
Miscellaneous allowances	0.00	(0.00)	0.00	(0.00)
<b>Change in current assets and liabilities</b>				
(Increase) decrease in assets:				
SIF repayment of Operating Fund for leases	105,873.53	105,873.53	105,873.53	105,873.53
Accounts receivable	1,893,198.77	233,421.06	1,893,198.77	233,421.06
Interest receivable	583.97	0.00	583.97	0.00
Prepaid expenses	45,925.10	(106,722.97)	45,925.10	(106,722.97)
Other assets	(4,868,460.75)	(5,147,500.00)	(4,868,460.75)	(5,147,500.00)
Increase (decrease) in liabilities:				
Accounts payable	213,088.35	17,863.85	213,088.35	17,863.85
Accrued employee compensation	787,939.98	4,497,773.81	787,939.98	4,497,773.81
Other non current liabilities	170,812.06	0.00	170,812.06	0.00
Other current liabilities	(50,088.34)	(12,777.97)	(50,088.34)	(12,777.97)
<b>Total adjustments</b>	<u>(1,543,758.22)</u>	<u>(118,011.28)</u>	<u>(1,543,758.22)</u>	<u>(118,011.28)</u>
<b>Net cash (used) provided by operating activities</b>	<u>(\$649,896.70)</u>	<u>\$1,180,022.48</u>	<u>(\$649,896.70)</u>	<u>\$1,180,022.48</u>

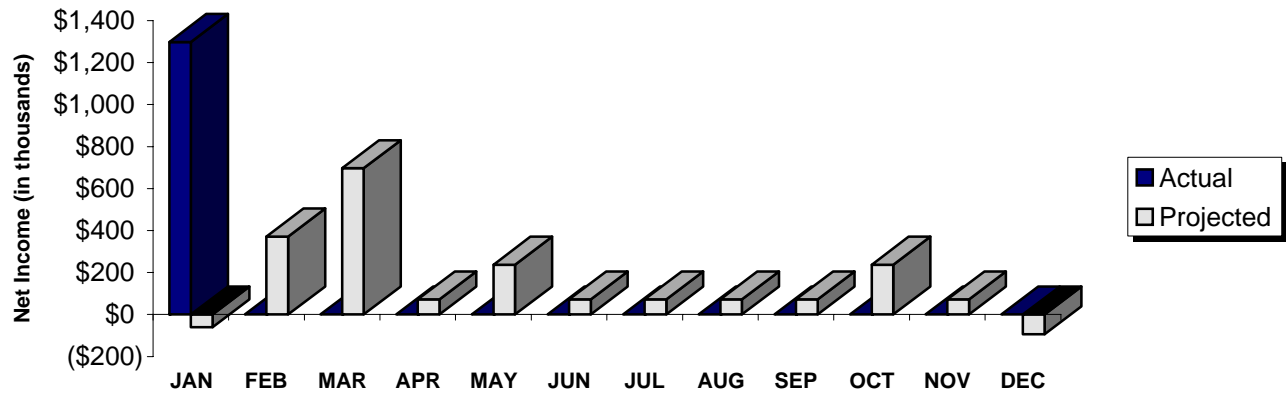
**National Credit Union Administration Operating Fund**  
**(Before Overhead Transfer)**  
**Year-To-Date Budget Report Analysis**  
**January 31, 2005**

	2005				2004			
	BUDGET	ACTUAL	DIFFERENCE	% DIFF	BUDGET	ACTUAL	DIFFERENCE	% DIFF
<b>Employee Pay</b>	7,222,301	6,565,879	(656,423)	-9.1%	7,431,900	7,040,050	(391,850)	-5.3%
<b>Benefits</b>	1,868,020	1,635,371	(232,648)	-12.5%	1,899,426	1,690,002	(209,425)	-11.0%
<b>Travel</b>	1,068,241	184,653	(883,589)	-82.7%	1,124,348	99,774	(1,024,574)	-91.1%
<b>Rent, Communications, &amp; Utilities</b>	327,508	167,404	(160,105)	-48.9%	370,447	336,746	(33,701)	-9.1%
<b>Administrative</b>	874,864	683,776	(191,088)	-21.8%	1,054,621	972,554	(82,067)	-7.8%
<b>Contracted Services</b>	690,535	(174,271)	(864,805)	-125.2%	681,938	(167,827)	(849,764)	-124.6%
<b>TOTAL</b>	12,051,469	9,062,812	(2,988,658)	-24.8%	12,562,679	9,971,299	(2,591,380)	-20.6%

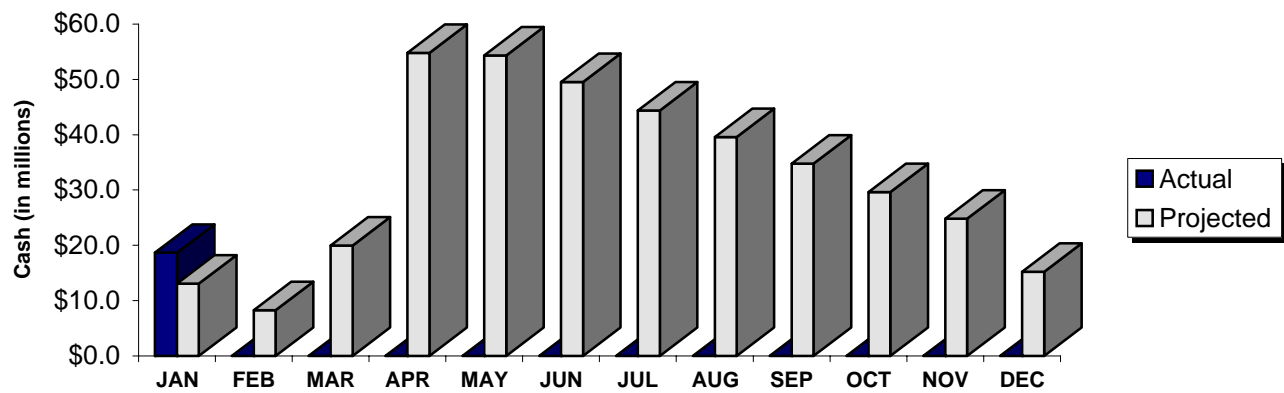
**Percent Over (Under) Budget**  
**January 31, 2005**



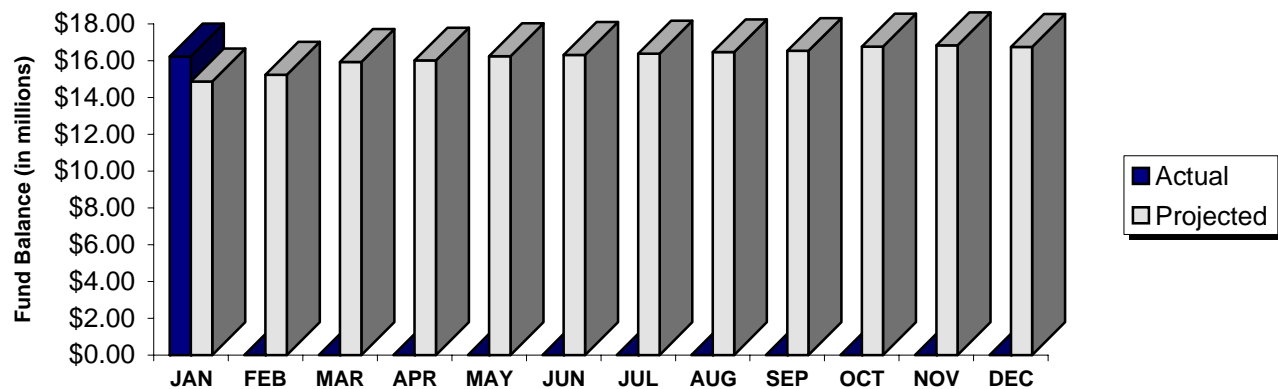
### Actual & Projected Net Income (2005)



### Actual & Projected Cash Balance (2005)



### Actual & Projected Fund Balance (2005)



***National Credit Union Administration Operating Fund***  
***Ratios***  
***January 31, 2005***

<b>BALANCE SHEET</b>	<b>January 2004</b>	<b>January 2005</b>
Liquid assets / Total assets	35.28%	30.50%
Current assets / Total assets	43.84%	41.61%
Fixed assets / Total assets	56.16%	58.39%
Current liabilities / Total assets	29.16%	30.80%
Non current liabilities / Total assets	43.29%	42.67%
Retained Earnings / Total assets	27.55%	26.53%
<b>STATEMENT OF REVENUE &amp; EXPENSE</b>		
YTD Interest & other income / Total revenue	0.70%	0.92%
YTD Program related income / Total revenue	99.30%	99.08%
YTD Expenses / Total revenue	81.77%	75.01%
YTD Net income / Total revenue	18.23%	24.99%
<b>CASH</b>		
Net year to date cash inflow (outflow) in millions of dollars	(\$1.2)	\$0.4
Cash end of month - Cash beginning of year / Cash BOY	-5.0%	2.4%
Cash and cash equivalents / Total assets	35.3%	30.5%